

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

<i>In the Matter of</i>	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
TO: The Federal-State Joint Board	)	

**COMMENTS OF NEXTEL PARTNERS, INC.**

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## SUMMARY

The Public Notice sets out four potential approaches for rural high-cost USF support methodologies: (1) State Allocation Mechanism (SAM); (2) Three Stage Package for Universal Service Reform; (3) Holistically Integrated Package (HIP); and (4) Universal Service Endpoint Reform Plan (USERP). The proposals have a number of gaps and leave significant issues unresolved. Significantly, while the proposals recommend establishing a system of USF block grants to the states, they leave the methodology for computing the state allocations and for regulating the states' distributions to ETCs to be established in later rulemaking proceedings. In addition, the proposals fail to take into account a number of issues raised by earlier comments in this proceeding, particularly discussions with regard to the issue of whether an embedded cost or a forward looking cost methodology would be more appropriate as a basis for computing rural ETC support payments.

Accordingly, much more work is needed before a revised methodology can be proposed or adopted. Therefore, Nextel Partners recommends the creation of a Rural Task Force comprised of wireline and wireless interests to fully address the many complex issues related to developing a new rural high-cost support methodology. The Rural Task Force should be guided by the following principles:

- a. Mobile telecommunications services meet unique public interest needs of rural citizens and USF policies and payments should be designed to promote the continued growth of spectrum-based services in these areas;
- b. USF high-cost support payments should be technologically neutral in order to promote investment in infrastructure and the buildout of rural networks;
- c. Growth of the Fund must be managed on a long-term basis by addressing the root causes for the growth in the Fund.

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**COMMENTS OF NEXTEL PARTNERS, INC.**

Nextel Partners, Inc. (“Nextel Partners”), by undersigned counsel, submits these Comments in response to the August 17, 2005 Public Notice of the Federal-State Joint Board on Universal Service (“Joint Board”) requesting comments on several proposals for modifying the Commission’s universal service rural high-cost support rules.<sup>1</sup> As discussed herein, Nextel Partners continues to believe that the Commission should establish a Rural Task Force to undertake a comprehensive analysis and provide recommendations to assist the Joint Board and Commission in modifying the rural high-cost support rules.

**I. INTRODUCTION.**

Nextel Partners supports the efforts of the Joint Board in responding to the Commission’s referral order.<sup>2</sup> While the four proposals included in the Public Notice stray outside the bounds of the *Referral Order* insofar as they propose block grants to the

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<sup>1</sup> *Public Notice, Federal-State Joint Board on Universal Service Seeks Comment on Proposals to Modify the Commission’s Rules Relating to High-Cost Universal Service Support*, CC Docket No. 96-45, FCC 05J-1, August 17, 2005 (hereafter, “Public Notice”), comment date extended, FCC 05J-2 (released September 13, 2005).

<sup>2</sup> *Federal-State Joint Board on Universal Service*, 19 FCC Rcd 11538 (2004) (hereafter, “*Referral Order*”).

states, and do not answer various of the questions included in the *Referral Order*, they serve nonetheless as a positive step in furthering the debate for addressing the Commission's rural high-cost support rules. In addition to these four proposals, there are numerous comments that were previously submitted in this docket in response to the Joint Board's earlier request for comment.<sup>3</sup> Those comments also should be fully considered and addressed as part of the effort to develop new rural high-cost support rules.

In particular, as Nextel Partners discussed in its earlier comments, the continued growth and deployment of wireless telecommunications services in rural areas is critical to achieving the goals of universal service. Support of wireless ETCs must be an essential and major component of any rural high-cost support mechanism. The four proposals in the Public Notice include little analysis of the need for supporting wireless services in rural areas, and in fact treat wireless ETCs as more of an afterthought than a major objective. In addition, the four proposals include little analysis or discussion of whether forward-looking economic cost estimates or embedded costs would most efficiently and effectively achieve the Act's goals, although this issue was specifically designated by the Commission in the *Referral Order*<sup>4</sup> and has been the subject of extensive comment in this docket. Nor do the four proposals ultimately suggest a new long-term mechanism for rural high-cost support or otherwise resolve the issue of what that mechanism will be on a long-term basis. Instead, they preserve the status quo for the time being and reserve resolution of the larger issue of the long-term methodology for a

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<sup>3</sup> *Public Notice, Federal-State Joint Board on Universal Service Seeks Comment on Certain of the Commission's Rules Relating to High-Cost Universal Service Support*, CC Docket No. 96-45, FCC 04J-2, August 16, 2004.

<sup>4</sup> *Referral Order* at ¶ 8.

future date, future referral orders, or for the states themselves to decide under a block grant program. Thus, the four proposals leave several critical issues unresolved.

Accordingly, Nextel Partners urges that a Rural Task Force be established having fair and adequate representation of all the various constituencies, including state and federal regulators, as well as both wireline and wireless ETCs, and tasked with the job of identifying and developing a technology-neutral High Cost methodology that will keep the growth of the Universal Service Fund (USF) under control while promoting the principles of Universal Service, including mobility.

## **II. SUPPORT FOR WIRELESS ETCs IS ESSENTIAL TO ACHIEVING CONGRESS' GOAL OF UNIVERSAL SERVICE.**

Nextel Partners has a compelling interest in this proceeding because its business focuses on bringing state-of-the-art digital mobile communications services to smaller, rural markets, including high-cost and insular areas. Nextel Partners was formed in 1999 as a joint venture with Nextel Communications, Inc., now Sprint Nextel Corp. ("Sprint Nextel"), specifically for the purpose of accelerating the deployment of Nextel® brand service to those areas outside of the major urban markets, where Nextel® service continues to be operated by Sprint Nextel. Nextel Partners deploys the same technology and provides its rural customers the same panoply of services and benefits that are enjoyed by Nextel® brand service subscribers in urban areas, including seamless nationwide roaming on the system.

Nextel Partners' business focus fits squarely within the mission of universal service. Wireless telecommunications carriers such as Nextel Partners bring important and unique benefits to rural citizens that foster the goals of Universal Service. These benefits include mobility in telecommunications, competitive alternatives for customers,

pricing plans with expanded local calling areas and reduced rate or flat-rated long distance calling. When a wireless provider deploys coverage in a given area, service is provided to every point within range of a tower. This is of particular benefit and importance in rural areas, where there may be extended distances between wireline access points. Other benefits include wireless coverage that makes a rural area an attractive location for corporate or industrial relocation, and for urban visitors who wish to maintain the everyday communications abilities that they are accustomed to and depend upon. Benefits also include a mobile communications service that addresses significant health and safety concerns left unaddressed by the incumbents. In particular, wireless coverage serves critical homeland security concerns, as it brings to rural areas the critical coverage capacity and interoperability that may be needed in the event of an influx of citizens from urban areas during a national emergency.

These numerous benefits are fully consistent with the goals of Universal Service as defined in the Communications Act. Congress did not create the Universal Service program simply to perpetuate the existing service by existing incumbent carriers. The objective is to open all markets to competition and to bring modern state-of-the-art communications and information services to all such markets, including rural areas.

Thus, the Communications Act provides that,

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high-cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.<sup>5</sup>

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<sup>5</sup> 47 U.S.C. § 254 (b)(3).

As the Commission is aware, consumers today rely heavily on wireless communications networks to meet their basic and advanced telecommunications needs, and this trend will continue. The requirements of the Act and the widespread deployment and dependence upon spectrum-based communications in urban areas *requires* that wireless ETCs serving rural areas must be supported as part of the Universal Service program. Any serious consideration of changes to USF funding must be made with this critical factor in mind.

Recent designations by the FCC of wireless CETCs are in fact fully in accord with this focus of the Universal Service program. In the *Virginia Cellular* decision, the Commission found that mobility in telecommunications brings important public interest benefits to rural citizens, as it “assists consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other critical community locations .... [and] provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities.”<sup>6</sup> Similarly, the Commission emphasized these same public interest benefits in designating Nextel Partners as an ETC.<sup>7</sup> Indeed, as the Commission has indicated, facilitating the widespread deployment of such services “to all Americans, including those doing

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<sup>6</sup> See *Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition For Designation as an Eligible Telecommunications Carrier for the Commonwealth of Virginia*, Memorandum Opinion and Order, CC Docket No. 96-45, 19 FCC Rcd 1563, ¶ 29 (2004) (“*Virginia Cellular*”); also see separate statement of Chairman Powell, *Virginia Cellular* (“We recognize the unique value that mobile services provide to rural consumers....”).

<sup>7</sup> See *Federal-State Joint Board on Universal Service, NPCR, Inc. d/b/a Nextel Partners Petitions For Designation as an Eligible Telecommunications Carrier in the States of Alabama, Florida, Georgia, Pennsylvania, Tennessee, and Virginia, Nextel Partners of Upstate New York, Inc. d/b/a Nextel Partners Petition For Designation as an Eligible Telecommunications Carrier in the State of New York*, 19 FCC Rcd 16530 at ¶ 18 (2004) (hereafter, “*Nextel Partners Designation Order*”), amended by *Erratum* dated September 13, 2004, 2004 FCC Lexis 5271.



business in, residing in, or visiting rural areas,” is “[o]ne of the Commission’s primary statutory obligations, as well as one of its principal public policy objectives.”<sup>8</sup> The designation of wireless ETCs helps to meet these fundamental goals of Congress and the Act.

Accordingly, Nextel Partners has pursued and obtained designation as an ETC in 15 states, and is drawing universal service high-cost support.<sup>9</sup> As a publicly traded and publicly financed company in the competitive wireless industry, Nextel Partners, like other wireless carriers, must be able to justify its sizeable capital expenditure investments in infrastructure deployment in rural areas based on projected returns on investment. In this sense, Nextel Partners is different from the government sanctioned, guaranteed rate of return utilities like many incumbent wireline carriers. Moreover, unlike the wireline monopolies that receive Universal Service Support based on their embedded costs regardless of the number of customers they actually serve, Nextel Partners currently does not receive any Universal Service support unless and until it acquires customers. Therefore, wireless carriers like Nextel Partners that actively seek ways to justify expansion of their network into rural areas face far greater risk than their landline counterparts even if they have been granted ETC status. Nevertheless, the support Nextel

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<sup>8</sup> See *Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services; 2000 Biennial Regulatory Review Spectrum Aggregation Limits for Commercial Mobile Radio Services; Increasing Flexibility to Promote Access to and the Efficient and Intensive Use of Spectrum and the Widespread Deployment of Wireless Services, and to Facilitate Capital Formation*, Report and Order and Further Notice of Proposed Rulemaking, WT Dockets No. 02-381, 01-14 and 03-202, at ¶ 4 (rel. September 27, 2004).

<sup>9</sup> See *Nextel Partners Designation Order*, in which the FCC granted ETC designation to Nextel Partners in New York, Alabama, Florida, Georgia, Pennsylvania, Tennessee, and Virginia. Nextel Partners also has been designated as an ETC by state commissions in Arkansas, Hawaii, Indiana, Iowa, Kentucky, Louisiana, Mississippi and Wisconsin.

Partners is now receiving is having a positive effect on facilitating the continued build out of its system in rural areas. In several instances, the expected universal service support is the differentiating factor that provides a bare minimum return on investment to justify expansion of the network into these remote areas. In order to continue the successful expansion of state-of-the-art wireless technologies like the services offered by Nextel Partners into more and more rural areas, USF high-cost support payments must remain technologically neutral, and must continue to support deployment of wireless telecommunications infrastructure and the provision of wireless services.

**III. THE FOUR PROPOSALS SET FORTH IN THE PUBLIC NOTICE LEAVE VARIOUS ISSUES UNRESOLVED AND DO NOT ASSURE SPECIFIC, PREDICTABLE AND SUFFICIENT SUPPORT TO WIRELESS ETCs.**

The *Public Notice* sets forth four proposals: (1) State Allocation Mechanism (SAM); (2) Three Stage Package for Universal Service Reform; (3) Holistically Integrated Package (HIP); and (4) Universal Service Endpoint Reform Plan (USERP). While each of these proposals presents useful ideas for addressing the issues raised by the Commission in the *Referral Order*, all contain gaps and if adopted would require that significant work be completed in order to establish a support methodology.

**A. The State Allocation Mechanism (SAM).**

The State Allocation Method (SAM) sidesteps the issues included in the *Referral Order* and instead proposes a program of USF block grants or “allocations” to the states, an idea that appears to be outside the scope of the *Referral Order*. The SAM includes a broad outline of how a system of allocations to the states could be established, but saves the task of specifying the mechanisms to be included in such a system until after June 2006, or until after the Commission’s completion of the ongoing intercarrier

compensation rulemaking. In the meantime, the SAM proposes to extend the current support methodology beyond June 2006, or to freeze support to ETCs at 2Q 2006 levels, and to have the work of developing a new methodology proceed over the next several years so that new rules can go into effect fully in 2009.

Because the SAM leaves the work of establishing a methodology for calculating support to a later date, it is difficult to ascertain how this proposal will effect wireless ETCs. Indeed, the SAM is essentially silent on the issue of support to wireless ETCs. It is clear that the SAM would require the states to undertake extensive work that they are not currently carrying out today, which in turn would require rulemakings and procedures to be adopted at the state level, a process that could take an extended amount of time and would possibly require extensive participation in numerous state proceedings to ensure that various state allocations provide appropriate support to wireless communications in accordance with Congressional goals of Universal Service. If the SAM approach is adopted, it is imperative that it includes close oversight by the FCC of state rules and allocation procedures, including adoption by the FCC of model rules and requirements pursuant to rulemaking, and procedures for FCC review and approval of state allocation plans.

The issue of whether to base rural high-cost support methodology on embedded costs or forward looking costs is featured largely in the *Referral Order* and has been debated extensively in this docket. In general, comments from wireline incumbent ETCs exhibit strong support for maintaining the current embedded cost methodology, while various wireless ETCs have suggested that moving to a forward looking cost model would be more efficient. While the SAM leaves resolution of the question for future

determination, stating that the allocations “could be based on ... the results of a cost model of either embedded or forward-looking costs for the most efficient technology,”<sup>10</sup> it nonetheless prejudices the issue and indicates a clear preference for an embedded cost methodology, stating, “It is no more difficult, and arguably easier, to construct an embedded cost model than a FLEC model.”<sup>11</sup> The SAM makes this statement without addressing the numerous comments in the docket that support moving to a forward looking cost model as the most efficient means for controlling Fund size. Thus, the SAM does not fulfill the mandate of the *Referral Order*, which directed the Joint Board “to consider whether a universal service mechanism for rural carriers based on forward-looking economic cost estimates or embedded costs would most efficiently and effectively achieve the Act’s goals.”<sup>12</sup> Presumably, under the SAM approach, this issue would be fully examined by the Joint Board after June 2006.

While the SAM concept of block grants to the states could possibly be a workable approach for fulfilling the Universal Service goals of the Act, much will depend on the details of the methodology that the SAM leaves to be developed at a future date. In this regard, constituting the Rural Task Force, as proposed by Nextel Partners, in order to assist in developing cost support methodology would be beneficial to the SAM approach, particularly as the work of the Rural Task Force could be carried out within the timetable set forth in the SAM, *i.e.*, during 2006.

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<sup>10</sup> *Public Notice*, Appendix A, p.1.

<sup>11</sup> *Id.*, p.2.

<sup>12</sup> *Referral Order* at ¶ 8.

### **B. Three Stage Package for Universal Service Reform.**

Under the Three Stage Package for reform proposed by Joint Board member Billy Jack Gregg, long-term changes would be implemented over a period of years. Nextel Partners supports the end result of Stage Three of the plan, which would “seek to develop a unified system to support high-cost areas regardless of status of the serving carrier,” and under which, “[d]ifferences in treatment between rural and non-rural carriers, between incumbents and new entrants, and between technologies should be eliminated.” The plan does not specify the methodology for achieving this end-stage goal, but instead reserves development of the methodology to future proceedings. Stage Three would also adopt a block grant program similar to the SAM, and provides broadly that, “Distribution of funds [under the block grant program] would be based on guidelines established by the FCC to meet the universal service goals of Section 254.”<sup>13</sup> Significantly, whereas the SAM proposal provides for adjustments to the state allocation amounts every five years, Mr. Gregg’s proposal incorporates annual review and adjustments to state allocation amounts, which potentially could serve to better ensure the sufficiency of support to ETCs.

Mr. Gregg recognizes, however, that the proposals set forth in Stage Three of his plan stray outside of the current *Referral Order*, and would require further action by the FCC, as well as significant future work to develop a methodology for implementing the proposals.<sup>14</sup> He recognizes the same with regard to Stage Two, or the Mid-Term phase of his plan, under which components of high-cost support would be combined and support amounts would be based on a percentage of excess costs over total revenues, after taking

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<sup>13</sup> *Public Notice*, Appendix B, p.5.

<sup>14</sup> *See id.*, p.1.

into account a national benchmark figure. Again, specific methodologies for computing support amounts are left to be developed in future proceedings under a future referral.

Stage One of the proposal, however, seeks to control fund growth in the near term by implementing various specific changes. These changes include, (1) combining an ETC's study areas and basing high-cost support on data for the combined area, (2) moving larger carriers to the Commission's existing High-Cost model, (3) freezing per-line support to incumbents upon entry of a competitive ETC, (4) and paying support to a competitive ETC based on its own costs, up to the amount received by the incumbent. There are several problems with these changes as they affect wireless ETCs. It is not clear how the study area of a competitive ETC will be defined if all of an incumbent's study areas are combined. The Commission should ensure that if study areas are combined for funding purposes as recommended in this proposal, the "study area" requirement for designation in 47 U.S.C. § 214(e)(5) is not applied to inhibit entry in that area. Additionally, paying competitive ETCs a different amount based on their own embedded costs presents significant issues. First, such an approach is not technology neutral as required under the Act if it gives a competitive advantage to an incumbent wireline carrier over a new wireless market entrant seeking to build out its system in the respective market. The current methodology for calculating costs, which is based on a carrier's embedded costs, could unduly penalize wireless ETCs that have not yet made a substantial investment in system architecture in rural areas and require ETC support in order to help fund new system deployment.

In short, while the ultimate goal of the Three Stage Package is laudable, extensive additional work is still needed to develop appropriate Stage Three methodologies. The

Rural Task Force as recommended by Nextel Partners could best carry out this work herein.

**C. The Holistically Integrated Package.**

Similar to the two proposals already discussed, the Holistically Integrated Package also leaves to the future the extensive work of developing a methodology, while simply providing a broad outline of a direction in which to proceed. Significantly, the Holistically Integrated Package would adopt the SAM block grant approach, but would leave greater leeway to the states for determining how to distribute support funds. Such an approach presents a problem insofar as states would end up developing disparate and possibly conflicting distribution programs. If a block grant program ultimately is developed, it should include more, rather than less oversight by the FCC, as well as detailed guidelines issued by the FCC. Again, however, this proposal also does not resolve the hard issues of methodology as set forth in the *Referral Order*.

**D. Universal Service Endpoint Reform Plan (USERP)**

Like the other proposals, the USERP also adopts the notion of block grants to the states. The USERP also includes the novel idea of a separate “portability” fund for supporting wireless ETCs, which initially would be set at \$1 billion. In making this proposal, the USERP recognizes that “[w]ireless and wireline networks have different cost characteristics,”<sup>15</sup> and that “[w]ireless services can perform functions not possible for wireline service.”<sup>16</sup> The proposal also recognizes that universal service support for wireless ETCs is needed in order to improve and buildout wireless telecommunications

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<sup>15</sup> *Public Notice*, Appendix D, p.7.

<sup>16</sup> *Id.* p.8.

coverage in rural areas, as opposed to simply subsidizing rates charged to rural customers.<sup>17</sup>

While the notion of establishing a separate fund for supporting wireless ETCs might ultimately be a workable solution to addressing some of the Fund growth issues that have been raised recently, the proposal as set forth in the USERP is not workable. The concept of putting a cap on payments to wireless ETCs is contrary to the mandate of the Act that support be “sufficient.”<sup>18</sup> Likewise, the USERP’s proposal that the wireless fund would automatically “sunset” after five years is contrary to the goals of Universal Service established under the Act, which require that wireless ETCs must be supported. Additionally, establishing a capped fund only for wireless ETCs would not be technologically neutral as required by the Act. Nor would a separate fund approach be technologically neutral in any case as long as wireline ETCs continue to be supported by the cumulative net contributions of wireless carriers. In addition, the proposal to allow states (which do not regulate wireless carriers) to decide how to allocate funds to wireless carriers raises significant administrative concerns and creates subdelegation issues like those recently addressed by the D.C. Circuit Court of Appeals. *United States Telecom Assoc. v. FCC*, 359 F.3d 554, 566 (D.C. Cir. 2004).

Ultimately, like the other proposals, this plan also leaves the details to be developed at a later date. Specifically, it is not clear what methodology would be used for determining costs of or payments to wireless ETCs. In order to allow the development and adoption of a methodology that will ensure specific, predictable and

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<sup>17</sup> *Id.*

<sup>18</sup> See *Referral Order* at ¶ 1. This is true regardless of the fact that setting the cap at \$1 billion far exceeds even the wildest projections that incumbent LECs have put forth regarding the cost of funding wireless ETCs.



sufficient support to all ETCs, including wireless ETCs, the Commission should appoint a Rural Task Force as discussed below.

**IV. THE COMMISSION SHOULD ESTABLISH A NEW RURAL TASK FORCE TO DEVELOP A NEW SUPPORT METHODOLOGY THAT WILL PROTECT THE PRINCIPLES OF UNIVERSAL SERVICE WHILE ADDRESSING THE PROBLEM OF GROWTH IN THE USE.**

In light of the gaps in the four proposals as discussed above, as well as the vastly divergent viewpoints of the various constituencies that have previously commented in this proceeding, the Commission should appoint a new Rural Task Force to develop a cost methodology for use in revising the rural high-cost support mechanism. The Rural Task Force should be representative of the various competing viewpoints and constituencies, including both ILEC and wireless CETC interests. The Commission should direct the Rural Task Force to undertake a comprehensive analysis of available methodologies, the various comments submitted in this proceeding and the four proposals set forth in the *Public Notice*, and make recommendations for implementing a system that will control Fund growth while protecting the principles of Universal Service. In conducting its work, the Rural Task Force should be guided by the following principles:

Focus on Consumer. The overarching goal of Universal Service is to provide benefits to the consumer, rather than to provide subsidies to any carrier or class of carriers.<sup>19</sup> The Rural Task Force should work with this fundamental principle in mind.

Build Out of Mobile Networks. As discussed above, a fundamental principle of Universal Service is to ensure that rural citizens will have access to the same range of telecommunications services that are available to urban citizens, at reasonably

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<sup>19</sup> *Alenco Communications, Inc. v. FCC*, 201 F.3d 608 (5<sup>th</sup> Cir. 2000).

comparable rates.<sup>20</sup> A corollary principle as supported by recent FCC orders designating wireless ETCs is that mobility is in the public interest and that all citizens, including rural citizens, should have access to mobile communications services. Thus, a major goal of the new cost methodology should be to support the build out and deployment of mobile telecommunications services, while continuing the maintenance of existing services.

Technological Neutrality. The cost methodology should not favor one type or class of provider over any other, or one type of technology over any other. Instead, the methodology should foster competition between providers, leaving the choice in technologies and providers to the consumer. Additionally, the consumer should not be limited to choosing a single provider or type of technology, but should have the same freedom that urban citizens have to utilize multiple or alternative technologies and providers.

Efficiencies. The cost methodology should encourage efficiencies in operations and should discourage carriers from making inefficient investments or expenditures. The Rural Task Force should analyze and address the inherent inefficiencies of the existing embedded cost methodology and undertake an analysis of alternative methodologies in light of those inefficiencies. Over the long term, a cost methodology based on efficiencies will greatly reduce or even eliminate the need for large support payments for maintenance and this should be a specific goal. The Commission should make clear that cost efficiency is a principle of Universal Service.

In sum, the Rural Task Force should work towards developing a support methodology that will foster the principles of consumer choice, mobility, technological innovation, and

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<sup>20</sup> 47 U.S.C. § 254 (b)(3).

the benefits of competition, while sustaining the availability of existing services and controlling growth of the Fund by encouraging cost efficiencies.

**V. CONCLUSION.**

For the foregoing reasons, Nextel Partners respectfully urges the Commission to establish a Rural Task Force to develop a new rural high-cost support mechanism in accordance with the principles set forth above.

Respectfully submitted,

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